SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 0-8590

Equitable of Iowa Companies
(Exact name of registrant as specified in its charter)

Iowa	42-1083593
(State or other jurisdiction of incorporation or organization)	(IRS employer identification no.)
604 Locust Street, Des Moines, Iowa	50306
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code (515) 245-6911

Former name, former address and formal fiscal year, if changed since last report

Indicate by check ✓ whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No _____

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes _____ No _____

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 14,384,679 shares of Common Stock as of August 1, 1992.

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FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Person for whom the Financial Information is given: Equitable of Iowa Companies and its Subsidiaries

Consolidated Statements of Income (Unaudited):

	FOR THE THREE MONTHS ENDED June 30, 1992 (Current Year)	June 30, 1991 RESTATED (Preceding Year)
	(Dollars in thousands)	
REVENUES:		
Traditional life insurance premiums	$ 11,595	$ 12,714
Universal life and investment product charges	7,395	6,832
Net investment income	88,041	78,145
Realized gains (losses) on investments	4,573	(3,426)
Other income	3,723	4,532
	115,327	98,797
BENEFITS AND EXPENSES:		
Expenses of life insurance operations:		
Traditional life insurance benefits:		
Death benefits	4,073	6,070
Other benefits	9,406	11,596
Universal life and investment product benefits:		
Interest credited to account balances	56,041	46,555
Benefit claims incurred in excess of account balances	1,455	1,500
Increase (decrease) in future policy benefits:		
Life and annuity	47	(3,415)
Other contracts	153	(9)
Distributions to participating policyholders	6,081	6,689
Underwriting, acquisition and insurance expenses:		
Commissions	22,672	10,469
General expenses	7,794	6,323
Insurance taxes	1,457	812
Policy acquisition costs deferred	(27,739)	(12,925)
Amortization of deferred policy acquisition costs	5,128	4,955
	86,568	78,620
Interest expense	2,469	2,206
Other expenses	2,490	2,570
	91,527	83,396
	23,800	13,401

Consolidated Statements of Income (Unaudited): (CONTINUATION)

	FOR THE THREE MONTHS ENDED June 30, 1992 (Current Year)	June 30, 1991 RESTATED (Preceding Year)
	(Dollars in thousands, except per share data)	
Income taxes: (credit):		
Current	$ 9,949	$ 5,688
Deferred	(3,429)	231
	6,520	5,919
	17,280	7,482
Equity loss, net of related tax benefit of (1992 - ($76); 1991 - ($13))	(94)	(57)
Income from continuing operations	17,186	7,425
Discontinued operations:		
Income from operations of discontinued retail operations, net of related income tax expense (1992 - $208; 1991 - $430)	292	185
Gain on disposal of discontinued retail operations, net of related income tax expense of $3,791	5,106	--
	5,398	185
NET INCOME	$ 22,584	$ 7,610
EARNINGS PER SHARE (average shares used 1992 - 14,284,220; 1991 - 14,196,406):		
Income from continuing operations	$ 1.20	$ 0.53
Discontinued operations:		
Income from operations of discontinued retail operations	0.02	0.01
Gain on disposal of discontinued retail operations	0.36	--
	0.38	0.01
NET INCOME	$ 1.58	$0.54
CASH DIVIDENDS PAID PER COMMON SHARE	$ 0.18	$ 0.16

Consolidated Statements of Income (Unaudited):

	FOR THE SIX MONTHS ENDED June 30, 1992 (Current Year)	June 30, 1991 RESTATED (Preceding Year)
	(Dollars in thousands)	
REVENUES:		
Traditional life insurance premiums	$ 23,708	$ 26,038
Universal life and investment product charges	14,854	13,635
Net investment income	172,412	150,798
Realized gains (losses) on investments	5,336	(4,643)
Other income	6,594	8,546
	222,904	194,374
BENEFITS AND EXPENSES:		
Expenses of life insurance operations:		
Traditional life insurance benefits:		
Death benefits	9,678	12,499
Other benefits	21,422	24,229
Universal life and investment product benefits:		
Interest credited to account balances	109,090	91,019
Benefit claims incurred in excess of account balances	2,633	3,695
Decrease in future policy benefits:		
Life and annuity	(2,640)	(6,399)
Other contracts	(329)	(292)
Distributions to participating policyholders	12,751	13,979
Underwriting, acquisition and insurance expenses:		
Commissions	41,866	19,714
General expenses	15,389	12,990
Insurance taxes	2,962	1,998
Policy acquisition costs deferred	(50,785)	(25,182)
Amortization of deferred policy acquisition costs	10,445	9,382
	172,322	157,632
Interest expense	4,834	4,698
Other expenses	4,839	4,743
	181,995	167,073
	40,909	27,301

Consolidated Statements of Income (Unaudited): (CONTINUATION)

	FOR THE SIX MONTHS ENDED June 30, 1992 (Current Year)	June 30, 1991 RESTATED (Preceding Year)
	(Dollars in thousands, except per share data)	
Income taxes:		
Current	$ 10,080	$ 9,031
Deferred	1,998	2,174
	12,078	11,205
	28,831	16,096
Equity loss, net of related tax benefit of (1992 - ($45); 1991 - (76))	(36)	(141)
Income from continuing operations before cumulative effect of change in accounting principle	28,795	15,955
Discontinued operations:		
Loss from operations of discontinued retail operatons, net of related income tax benefits (1992 - ($2,232); 1991 - ($2,188)	(3,182)	(3,792)
Gain on disposal of discontinued retail operations, net of related income tax expense of $3,791	5,106	--
	1,924	(3,792)
Income before cumulative effect of change in accounting principle	30,719	12,163
Cumulative effect on prior years of change in method of accounting for income taxes	--	9,444
NET INCOME	$ 30,719	$ 21,607
EARNINGS PER SHARE (average shares used 1992 - 14,252,252; 1991 - 14,180,218):		
Income from continuing operations	$ 2.02	$ 1.13
Discontinued operations:		
Loss from operations of discontinued retail operations	(0.22)	(0.27)
Gain on disposal of discontinued retail operations	0.36	--
	0.14	(0.27)
Cumulative effect on prior years of change in method of accounting for income taxes	--	0.67
NET INCOME	$ 2.16	$ 1.53
CASH DIVIDENDS PAID PER COMMON SHARE	$ 0.34	$ 0.31

Consolidated Statements of Income (Unaudited):

	FOR THE TWELVE MONTHS ENDED June 30, 1992 (Current Year)	June 30, 1991 RESTATED (Preceding Year)
	(Dollars in thousands)	
REVENUES:		
Traditional life insurance premiums	$ 48,704	$ 57,903
Universal life and investment product charges	30,244	25,740
Net investment income	333,431	291,390
Realized gains (losses) on investments	4,759	(22,201)
Other income	11,681	14,544
	428,819	367,376
BENEFITS AND EXPENSES:		
Expenses of life insurance operations:		
Traditional life insurance benefits:		
Death benefits	21,100	22,359
Other benefits	42,094	46,344
Universal life and investment product benefits:		
Interest credited to account balances	209,481	174,326
Benefit claims incurred in excess of account balances	4,474	6,154
Decrease in future policy benefits:		
Life and annuity	(3,439)	(4,501)
Other contracts	(276)	(654)
Distributions to participating policyholders	26,225	28,718
Underwriting, acquisition and insurance expenses:		
Commissions	65,736	39,010
General expenses	44,956	28,180
Insurance taxes	5,556	4,388
Policy acquisition costs deferred	(81,849)	(51,105)
Amortization of deferred policy acquisition costs	20,170	17,475
	354,228	310,694
Interest expense	9,767	9,316
Other expenses	8,087	9,418
	372,082	329,428
	56,737	37,948

Consolidated Statements of Income (Unaudited): (CONTINUATION)

	FOR THE TWELVE MONTHS ENDED June 30, 1992 (Current Year)	June 30, 1991 RESTATED (Preceding Year)
	(Dollars in thousands, except per share data)	
Income taxes: (credit):		
Current	$ 24,825	$ 16,032
Deferred	(5,872)	290
	18,953	16,322
	37,784	21,626
Equity loss, net of related tax benefit of (1992 - ($188); 1991 - ($204))	(204)	(182)
Income from continuing operations before cumulative effect of change in accounting principle	37,580	21,444
Discontinued operations:		
Income from operations of discontinued retail operations, net of related income tax expense (1992 - $5,274; 1991 - $780)	6,956	2,945
Gain on disposal of discontinued retail operations, net of related income tax expense of $3,791	5,106	--
	12,062	2,945
Income before cumulative effect of change in accounting principle	49,642	24,389
Cumulative effect on prior years of change in method of accounting for income taxes	--	9,444
NET INCOME	$ 49,642	$ 33,833
EARNINGS PER SHARE (average shares used 1992 - 14,252,252; 1991 - 14,190,218):		
Income from continuing operations	$ 2.63	$ 1.52
Discontinued operations:		
Income from operations of discontinued retail operations:	0.50	0.20
Gain on disposal of discontinued retail operations	0.36	--
	0.86	0.20
Cumulative effect on prior years of change in method of accounting for income taxes	--	0.67
NET INCOME	$ 3.49	$ 2.39
CASH DIVIDENDS PAID PER COMMON SHARE	$ 0.66	$ 0.61

Consolidated Balance Sheets (Unaudited):

	June 30, 1992	December 31, 1991 RESTATED
	(Dollars in thousands)	
ASSETS		
Investments:		
Fixed maturities - at amortized cost (market: 1992 - $3,698,891; 1991 - $3,232,932)	$ 3,550,473	$ 3,107,325
Equity securities - at market (cost: 1992 - $1,915; 1991 - $9,711)	1,152	8,813
Mortgage loans on real estate	218,455	221,804
Real estate - at cost, less allowances for depreciation (1992 - $3,826; 1991 - $3,668)	15,112	16,231
Policy loans	179,579	181,838
Short-term investments	75,357	17,391
TOTAL INVESTMENTS	4,040,128	3,553,402
Cash and cash equivalents	(2,926)	7,160
Securities and indebtedness of related parties	13,073	9,714
Accrued investment income	70,089	66,284
Notes and other receivables	46,596	8,735
Deferred policy acquisition costs	312,517	272,176
Property and equipment - at cost, less allowances for depreciation (1992 - $3,500; 1991 - $2,776)	5,209	3,561
Deferred tax benefit	9,752	11,736
Intangible and other assets	27,792	27,029
Separate account assets	72,013	72,704
Assets of discontinued operations	—	198,860
	$4,594,243	$4,231,361

Consolidated Balance Sheets (Unaudited):

LIABILITIES AND STOCKHOLDERS' EQUITY

	June 30, 1992	December 31, 1991 RESTATED
	(Dollars in thousands)	
Policy liabilities and accruals:		
Future policy benefits:		
Traditional life insurance products	$ 767,848	$ 770,488
Universal life and investment products	3,168,151	2,728,927
Unearned revenue reserve	12,819	13,393
Other policy claims and benefits	3,612	4,044
	3,952,430	3,516,852
Other policyholders' funds:		
Supplementary contracts without life contingencies	10,838	10,954
Advance premiums and other deposits	1,420	1,643
Accrued dividends	13,298	13,841
	25,556	26,438
Current income taxes payable (receivable)	(816)	1,896
Notes and loans payable:		
Commercial paper notes	28,774	34,800
Convertible subordinated installment notes	256	---
Long-term bonds	50,000	50,000
Industrial development revenue bonds (guaranteed by parent)	10,500	10,500
Other notes	12	36
	89,542	95,336
Other liabilities	104,839	50,996
Separate account liabilities	72,013	72,704
Liabilities of discontinued operations	---	144,359
TOTAL LIABILITIES	4,243,564	3,908,581
Stockholders' equity:		
Common Stock - Class A	---	1,207
Common Stock - Class B	14,332	5,900
Additional paid-in capital	674	5,617
Unrealized appreciation (depreciation) on marketable equity securities	(763)	(898)
Retained earnings	337,639	312,229
Unearned compensation (deduction)	(1,203)	(1,275)
TOTAL STOCKHOLDERS' EQUITY	350,679	322,780
	$ 4,594,243	$ 4,231,361

Consolidated Statement of Cash Flows (Unaudited):

	FOR THE SIX MONTHS ENDED June 30, 1992	June 30, 1991 RESTATED
	(Dollars in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES		
Continuing operations:		
Net income before cumulative effect of change in accounting principle	$ 28,795	$ 15,955
Adjustments to reconcile net income to net cash provided:		
Adjustments related to universal life and investment products:		
Interest credited to account balances	109,036	91,019
Charges for mortality and administration	(13,801)	(12,539)
Deferral of unearned revenues	246	(522)
Amortization of unearned revenues	(820)	(267)
Decrease in traditional life policy liabilities and accruals	(3,072)	(6,795)
Decrease in other policyholders' funds	(882)	(462)
Increase in accrued investment income	(3,805)	(8,795)
Policy acquisition costs deferred	(50,786)	(25,182)
Amortization of deferred policy acquisition costs	10,445	9,382
Change in other assets, other liabilities, and accrued income taxes	11,198	(29,541)
Provision for depreciation and amortization	1,180	794
Provision for deferred income taxes	1,984	8,400
Share of losses of related parties	81	217
Realized (gains) losses on investments	(5,336)	4,643
	84,463	46,307
Discontinued Operations		
Net income	1,924	(3,792)
Adjustments to reconcile net income to net cash provided	(436)	5,293
	1,488	1,501
NET CASH PROVIDED BY OPERATING ACTIVITIES	85,951	47,808
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale, maturity, or repayment of investments:		
Fixed maturities	358,191	56,780
Equity securities	10,622	106
Mortgage loans on real estate	18,799	7,024
Real estate	1,957	26
Policy loans	15,611	14,772
Short-term investments - net	---	96,978
Acquisition of investments:		
Fixed maturities	(799,116)	(359,358)
Mortgage loans on real estate	(16,349)	(918)
Real estate	(160)	(131)
Policy loans	(13,352)	(14,490)
Short-term investments - net	(57,966)	---

Consolidated Statement of Cash Flows (Unsudited):

	FOR THE SIX MONTHS ENDED June 30, 1992 (Current Year)	June 30, 1991 RESTATED (Preceding Year)
	(Dollars in thousands)	
CASH FLOWS FROM INVESTING ACTIVITIES - continued		
Disposal of investments accounted for by the equity method	$ 412	$ 11
Additions to investments accounted for by the equity method	(3,852)	(1,300)
Proceeds from sale of interest in subsidiary	54,938	---
Repayments of notes receivable	4	3
Issuance of notes receivable	(2)	(8)
Sales of property and equipment	18	8
Purchase of property and equipment	(784)	(394)
NET CASH USED IN INVESTING ACTIVITIES	(431,029)	(200,891)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit borrowings	---	100,000
Repayment of line of credit borrowings	---	(188,000)
	(---)	(88,000)
Proceeds from notes and loans payable	265	50,000
Repayment of notes and loans payable	(33)	(76)
Issuance of commercial paper - net	(6,026)	30,000
Receipts from universal life policies and investment contracts credited to policyholder account balances	493,565	254,140
Return of policyholder account balances on universal life policies and investment contracts	(149,576)	(79,924)
Issuance of restricted stock	(176)	---
Issuance of stock under employee stock plans	1,841	143
Dividends paid	(4,868)	(4,409)
NET CASH PROVIDED BY FINANCING ACTIVITIES	334,992	161,874
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,086)	8,791
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	7,160	6,106
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ (2,926)	$ 14,897

NOTES TO FINANCIAL STATEMENTS

NOTE 1 -- BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. All adjustments were of a normal recurring nature, unless otherwise noted in Management's Discussion and Analysis and the Notes to Financial Statements. Operating results for the six month period ended June 30, 1992 are not necessarily indicative of the results that may be expected for the year ended December 31, 1992. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 1991.

The accompanying Consolidated Balance Sheet as of December 31, 1991, the Consolidated Statements of Income for the three, six, and twelve months ended June 30, 1991 and the Consolidated Statement of Cash Flows for the six months ended June 30, 1991 have been restated to reclassify retail operations as discontinued operations. The accompanying Consolidated Statements of Income for the three, six, and twelve months ended June 30, 1991, and the Consolidated Statement of Cash Flows for the six months ended June 30, 1991 have been restated to reflect the implementation of Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" effective as of January 1, 1991, which was treated as a cumulative effect adjustment. 1991 per share amounts have been restated to reflect a 2-for-1 stock split on June 2, 1992.

NOTE 2 -- DISCONTINUED OPERATIONS

On February 25, 1992, the Company and its retail subsidiary, Younkers, filed a registration statement with the Securities and Exchange Commission for a public offering of up to 6,170,000 shares of Younkers' common stock which was completed on April 29, 1992 ("disposal date") for the full number of shares. Prior to the offering, the Company had owned 4,703,555 shares of Younkers' common stock, all of which were sold in the public offering. The consolidated financial statements of the Company have been restated to report the assets, liabilities and operating results of retail operations as discontinued operations.

1992 income from discontinued operations includes retail sales to the measurement date of $83,815,000 for the first four months of 1992. 1991 income from discontinued operations includes retail sales of $75,990,000 for the second quarter and $138,243,000 for the six months ended June 30, 1991.

The sale of the Company's retail operations resulted in a pre-tax gain of $8,897,000 ($5,106,000, or $0.36 per share, after tax), compared to preliminary estimates reported in the previous quarter of $9,200,000 and $5,300,000, respectively. Proceeds from the sale, net of commissions and expenses, were $54,938,000.

NOTE 3 -- INVESTMENT OPERATIONS

Fixed maturity investments (bonds and redeemable preferred stocks) are reported at cost adjusted for amortization of premiums and accrual of discounts. The Company has the ability and intent to hold fixed maturity investment securities to maturity and, therefore, reports such investments at amortized cost. Changes in the market value of fixed maturity investments, except for declines that are other than temporary, are not reflected in the Company's financial statements. Equity securities (common and nonredeemable preferred stocks) are reported at market if readily marketable, or at cost if not readily marketable. The change in unrealized appreciation and depreciation of marketable equity securities is included directly in stockholders' equity, net of applicable taxes. Mortgage loans on real estate are reported at cost adjusted for amortization of premiums and accrual of discounts. If the value of any mortgage loan is determined to be uncollectible, the carrying value of the mortgage loan is reduced to the amount estimated as collectible. Real estate, which includes real estate acquired through foreclosure, is reported at cost less allowances for depreciation. Real estate acquired through foreclosure, or in-substance foreclosure, is recorded at the lower of cost (which includes the balance of the mortgage loan, any accrued interest and any costs incurred to obtain title to the property) or fair value as determined at or before the foreclosure date. Policy loans are reported at unpaid principal. Short-term investments are reported at cost adjusted for amortization of premiums and accrual of discounts.

The carrying values of the Company's investments are reviewed at least quarterly. If this review indicates a decline in value that is other than temporary for any investment, the Company's carrying value in the investment is reduced to its estimated net realizable value. Such reductions in carrying value are recognized as realized losses in the determination of net income.

The Company attempts to identify declines in value that are other than temporary through a formal quarterly review of reports prepared by the Company's investment research analysts. This review process includes an analysis of debt service coverages, cash flow and earnings projections, debt to equity ratios, the overall business and industry environment, the Company's forecast of the issuer's business opportunities and challenges, the relative position of the Company's investment within the issuer's capital structure and, if appropriate and available, an analysis of the assets of the issuer. Based upon these reviews, the Company makes a judgement as to whether the combination of these and other factors indicate that it is likely that the Company will be unable to realize its carrying value, because future nondiscounted cash payments received will not be equal to or in excess of carrying value in the case of fixed maturities, or because of depressed market values that are not expected to recover in the case of equity securities. These judgements serve as the primary criteria for the determination as to whether declines in value are other than temporary.

For each fixed maturity investment where the decline in value is judged to be other than temporary, the Company estimates the expected cash flows from the investment under the scenario for the issuer's future performance judged most likely, based upon the facts and circumstances known to the Company at the time. The scenario may involve anticipated restructuring of the issuer's debt to adjust interest, principal, and other terms, complete liquidation of the issuer to satisfy creditors, or other possible means of satisfying the issuer's obligations. If the estimated nondiscounted cash flows are less than the carrying value of the

Company's investment in the issuer, the Company recognizes a loss and reduces the carrying value of the investment to the net realizable value based upon estimated nondiscounted cash flows.

Further, for each fixed maturity investment where a decline in value is judged to be other than temporary, the Company reverses any accrued interest income, and records future interest income only when cash is received (at the rate implicit in the calculation of net realizable value). Because the Company has elected to utilize nondiscounted cash flows in its net realizable value calculations, the yield recognized in future periods on such investments may be less than yields recognized on other investments or those yields expected when the security was originally purchased.

At June 30, 1992 the amortized cost, gross unrealized gains and losses and estimated market values of fixed maturity investments are as follows:

	Carrying Value	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Market Value
	(Dollars in thousands)			
U.S. government and governmental agencies and authorities:				
Mortgage-backed securities	$413,100	$21,941	$ –	$435,041
Other	22,768	226	(753)	22,241
States, municipalities and political subdivisions	10,597	188	(1)	10,784
Foreign governments	11,211	1,161	(82)	12,290
Public utilities	857,885	34,240	(1,032)	891,093
Investment grade corporate	1,358,495	86,523	(1,531)	1,443,487
Below investment grade corporate	246,241	6,938	(22,885)	230,294
Mortgage-backed securities	629,187	24,143	(296)	653,034
Redeemable preferred stocks	989	–	(362)	627
TOTAL FIXED MATURITIES	$3,550,473	$175,360	$(26,942)	$3,698,891

Short-term investments with maturities of 30 days or less have been excluded from the above schedule. Amortized cost approximates market value for these securities. The amortized cost and estimated market value of debt securities at June 30, 1992, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	Carrying Value	Estimated Market Value
	(Dollars in thousands)	
Due in one year or less	$182	$181
Due after one year through five years	24,568	24,398
Due after five years through ten years	242,702	242,046
Due after ten years	2,240,734	2,344,191
	2,508,186	2,610,816
Mortgage-backed securities	1,042,287	1,088,075
TOTAL FIXED MATURITIES	$3,550,473	$3,698,891

An analysis of sales, maturities and principal repayments of the Company's fixed maturities portfolio is as follows:

	Amortized Cost	Gross Realized Gains	Gross Realized Losses	Proceeds
Six months ended June 30, 1992		(Dollars in thousands)		
Scheduled principal repayments, calls and tenders	$233,598	$8,741		$242,339
Sales	118,388	5,163	$(7,699)	115,852
TOTAL	$351,986	$13,904	$(7,699)	$358,191
Six months ended June 30, 1991				
Scheduled principal repayments, calls and tenders	$41,633	$70		$41,703
Sales	19,386	500	$(4,809)	15,077
TOTAL	$61,019	$570	$(4,809)	$56,780

At June 30, 1992, unrealized depreciation of equity securities, carried at market value, is comprised solely of gross depreciation of $763,000.

The carrying value of investments which have been non-income producing for the twelve months preceding June 30, 1992 includes: fixed maturities - $6,603,000; mortgage loans on

real estate - $7,004,000; and real estate - $239,000.

No investment in any person or its affiliates (other than bonds issued by agencies of the United States government) exceeded ten percent of stockholders' equity at June 30, 1992.

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The purpose of this section is to discuss and analyze the Company's consolidated financial condition, liquidity and capital resources, and results of operations. This analysis should be read in conjunction with the financial statements and related notes which appear elsewhere in this report. The Company reports financial results on a consolidated basis. The consolidated financial statements include the accounts of the Company and its subsidiaries, all of which are wholly-owned. The Company's retail subsidiary, Younkers, was sold through a public stock offering on April 29, 1992 and has been classified as a discontinued operation.

FINANCIAL CONDITION

The Company's total investments grew 13.7% in the first six months of 1992 compared to growth of 6.3% for the same period of 1991. This increase in the rate of growth of the Company's investment portfolio resulted from increased sales of the Company's insurance and annuity products. The Company carefully monitors the growth of its insurance operations in order to maintain its current strong capital ratios. As a result of strong consumer demand for its products, the Company expects to exceed its previously announced goal of growing assets in the range of 12 - 15% in 1992 and now expects assets to grow 16 - 20% in 1992.

To support the Company's annuities and life insurance products, cash flow was invested primarily in fixed maturity securities. At June 30, 1992, 99.6% of the Company's investments, excluding policy loans, were in cash or fixed income investments. Fixed income investments consist of government and agency mortgage-backed securities (11.9%); investment grade corporate, as determined by either Moody's Investors Service ("Moody's") or Standard & Poor's Corporation ("Standard & Poor's"), and conventional mortgage-backed securities (73.8%); below investment grade corporate securities (6.4%); and mortgage loans on real estate (5.6%).

The Company reports its fixed income, fixed maturity securities at amortized cost. The Company purchases such investments with the intention to hold them to maturity. Several factors demonstrate the Company's ability to hold investments until maturity. The Company's insurance and annuity liabilities are long term by nature. The Company has generally experienced low lapse rates on its insurance policies, and all whole life and annuity policies currently being sold have surrender penalties that tend to discourage lapse or surrender of policies. In addition, one of the Company's investment objectives is to manage its portfolio so that the duration of its assets is no longer than the duration of its liabilities.

At June 30, 1992, the ratings assigned by Standard & Poor's and Moody's to the individual securities in the Company's fixed maturities portfolio are summarized as follows:

	Carrying Value	% of Total	Estimated Market Value	% of Total
Ratings assigned by Standard & Poor's Corporation:	(Dollars in thousands)			
U.S. governments, agencies & AAA Corporates	$ 964,306	27.2%	$ 1,005,637	27.2%
AA+ to AA-	333,285	9.4%	344,518	9.3%
A+ to A-	1,280,940	36.1%	1,352,333	36.7%
BBB+ to BBB-	633,337	17.8%	670,913	18.1%
BB+ to BB-	95,792	2.7%	96,901	2.6%
B+ to B-	128,661	3.6%	129,066	3.5%
D	21,660	0.6%	12,234	0.3%
Issues not rated by S&P (by NAIC rating)				
Rated 1 (AAA to A-)	48,987	1.4%	49,627	1.3%
Rated 2 (BBB+ to BBB-)	14,908	0.4%	15,789	0.4%
Rated 3 (BB+ to BB-)	3,842	0.1%	3,805	0.1%
Rated 4 (B+ to B-)	7,228	0.2%	6,215	0.2%
Rated 5 (CCC+ to C)	16,538	0.5%	11,226	0.3%
Redeemable preferred stock	989	0.0%	627	0.0%
TOTAL FIXED MATURITIES	$3,550,473	100.0%	$3,698,891	100.0%

Ratings assigned by Moody's Investor's Service:	Carrying Value	% of Total	Estimated Market Value	% of Total
	(Dollars in thousands)			
U.S. governments, agencies & Aaa Corporates	$ 830,276	23.5%	$ 866,959	23.4%
Aa1 to Aa3	327,596	9.2%	338,968	9.2%
A1 to A3	1,279,425	36.1%	1,349,667	36.7%
Baa1 to Baa3	625,999	17.6%	666,788	18.0%
Ba1 to Ba3	128,926	3.6%	127,823	3.5%
B1 to B3	118,757	3.3%	119,996	3.2%
Caa1 to Caa3	10,201	0.3%	8,006	0.2%
Ca	21,660	0.6%	12,233	0.3%
Issues not rated by Moody's (by NAIC rating)				
Rated 1 (Aaa to A3)	174,331	4.9%	178,792	4.8%
Rated 2 (Baa1 to Baa3)	14,908	0.4%	15,789	0.4%
Rated 3 (Ba1 to Ba3)	3,841	0.1%	3,805	0.1%
Rated 4 (B1 to B3)	5,264	0.2%	5,295	0.1%
Rated 5 (Caa1 to C3)	8,300	0.2%	4,143	0.1%
Redeemable preferred stock	989	0.0%	627	0.0%
TOTAL FIXED MATURITIES	$3,550,473	100.0%	$3,698,891	100.0%

Note: Estimated market values of publicly traded bonds are as reported by an independent pricing service. Market values of private placement bonds ($29,281,000 at June 30, 1992) are estimated using a matrix that assumes a spread (based on interest rates and a risk assessment of the bonds) over U.S. Treasury bonds. Estimated market values of redeemable preferred stocks are as reported by the National Association of Insurance Commissioners ("NAIC").

Net unrealized appreciation of fixed maturity investments of $148,418,000 was comprised of gross appreciation of $175,360,000 and gross depreciation of $26,942,000.

At June 30, 1992, high yield, below investment grade securities, using the higher rating by Moody's or Standard & Poor's, totalled $246,241,000 or 6.4% of the investment portfolio of the Company's insurance operations. Included in this total were $116,413,000 of securities, rated investment grade when purchased and later downgraded. The Company estimates that the market value of its high yield portfolio was $230,294,000, or 93.5% of carrying value, at June 30, 1992.

Investments in high yield securities have different risks than investments in corporate debt securities rated investment grade. Risk of loss upon default by the borrower is significantly greater with respect to high yield securities than with other corporate debt securities because high yield securities are generally unsecured and are often subordinated to other creditors of the issuer. Also, issuers of high yield securities usually have high levels of debt and are more sensitive to adverse economic conditions, such as recession or increasing interest rates, than are investment grade issuers. The Company attempts to reduce the overall risk in its high yield portfolio, as in all of its investments, through careful credit analysis, investment policy limitations, and diversification by company and by industry.

During the second quarter of 1992, the Company purchased two below investment grade securities for $3,993,000. At June 30, 1992 these securities had a NAIC rating of 3 and an estimated market value of $4,020,000. The Company may purchase additional below investment grade securities but it does not expect the percentage of its portfolio invested in below investment grade securities to increase. The Company analyzes its investment portfolio at least quarterly in order to determine if its ability to realize its carrying value on any investment has been impaired. If impairment in value is determined to be other than temporary (i.e. the Company has doubt about an issuer's ability to comply on a timely basis with the payment provisions of the instrument), the Company prepares an estimate of net realizable value by estimating expected future cash flows from the investment and in turn, recognizes the impairment as a charge to realized gains and losses if the estimated nondiscounted cash flows from the investment are less than the carrying value of the investment.

At June 30, 1992, the Company's high yield portfolio included forty-eight different issuers. Of these forty-eight issuers, the Company has identified seven issuers which were considered to have impairments in value that were other than temporary. Investments considered to have other than temporary impairments had a total carrying value of $37,390,000, after writedowns of $7,015,000 (to estimated net realizable value), and an estimated market value of $22,759,000 at June 30, 1992. Five of these securities, with a total carrying value of $21,660,000 and an estimated total market value of $12,233,000, were in default at June 30, 1992. The carrying value of fixed maturity investments considered to have other than temporary impairments represented 0.9% of total investments, 0.8% of total assets, and 10.7% of total stockholders' equity at June 30, 1992.

During the first six months of 1992, the Company's assessment of the net realizable value of one security which had previously been identified as having an impairment in value that was other than temporary indicated that the net realizable value of this security had declined. As a result, the Company recognized a pre-tax loss of $3,436,000 to reduce the carrying value of this investment to its estimated net realizable value. During the first quarter of 1992, the Company determined that a security, with a carrying value of $8,000,000 and an estimated market value of $5,360,000, had an impairment in value that was other than temporary. During the second quarter of 1992, the Company determined that an additional security, with a carrying value of $7,058,000 and an estimated market value of $3,850,000, had an impairment in value that was other than temporary. The Company's analysis of the expected nondiscounted cash receipts from these securities indicates that write-downs are not necessary at this time. Rather, the effect of the impairment in value will be recognized through decreased yields on these investments in future periods.

During the first six months of 1992, the Company sold $82,055,000 of below investment grade securities, as rated by Standard & Poor's and Moody's, and reinvested the proceeds in investment grade securities. These sales were designed to enhance the overall quality of the Company's investment portfolio to continue to meet current and expected future asset quality requirements of insurance consumers and regulators.

Primarily as a result of the sales discussed above, the Company's total investment in below investment grade securities (using the higher rating by Moody's or Standard & Poor's) declined by $86,416,000 from $332,657,000 or 9.9% of the portfolio at December 31, 1991 to $246,241,000 or 6.4% of the portfolio at June 30, 1992. Losses of $4,278,000 were recognized in the first six months of 1992 through sales of these securities.

The use of nondiscounted cash flows to evaluate net realizable value may result in lower realized losses in the current period than if the Company had elected to use discounting in its evaluation process. Additionally, the rate of return actually realized by the Company on investments whose value suffers an impairment that is other than temporary is less than the yield to maturity at the date of original purchase. This lower rate of return results from a downward adjustment in expected cash flows from the investment. The yield recognized in future periods on these investments may also be less than yields recognized on other investments or those yields expected when the securities were originally purchased. With respect to the Company's investment in the seven issuers identified as having a decline in value that is other than temporary, and having a carrying value at June 30, 1992 of $37,390,000, the Company would have recorded interest income of $2,807,000 (a 12.5% annualized yield) during the first six months of 1992 if the financial position of the issuer had not deteriorated to a level such that the decline in value was judged to be other than temporary. During the first six months of 1992, a reduction in interest income of $500,000 (a negative 2.5% annualized yield on average carrying value) was actually recorded with respect to these investments, as a result of the reversal of accrued interest income related to the securities which were determined to have an other than temporary impairment in value during the first six months of 1992. Based upon the Company's current estimates of cash flows to be received from these seven issuers, the Company anticipates recording income of $1,321,000 (a 3.5% yield on average carrying value) for the full year ended December 31, 1992. The effect of a decline in interest income and portfolio yield on the Company's net income in future periods will depend on many factors, including the level of interest rates credited to policyholder account balances, other policy benefits, interest rates in general, and tax rates.

High yield investments, as well as other investments, are being monitored on an ongoing basis and future events may occur, or additional or updated information may be received, which may necessitate further write-downs of securities in the Company's portfolio. Significant write-downs in the carrying value of investments could materially adversely affect the Company's net income in future periods.

At June 30, 1992, the Company's high yield portfolio had a yield to maturity of 10.1% compared to 9.5% for the Company's corporate investment grade portfolio. A further reduction in the amount of the Company's investments in high yield securities could have a negative impact on the Company's operating results. The size of such impact would depend on many factors, including the magnitude of the reduction, the yield of alternative

investments, and the interest rate credited to policyholder account balances.

During the first quarter of 1992, the Company sold $36,333,000 of mortgage-backed securities issued by agencies of the federal government. These securities were sold because they were subject to higher than expected prepayments causing the duration of the securities to shorten and resulting in a mismatch with the duration of the liabilities they were intended to support. The proceeds from these sales were reinvested in conventional mortgage-backed securities which have characteristics similar to the securities sold but which provide greater protection from prepayments. The Company recognized gains of $1,742,000 through sales of these securities.

Aggregate pre-tax gains from sales and writedowns of fixed maturity investments totaled $4,825,000 for the second quarter and $2,770,000 for the six months ended June 30, 1992 compared to losses of $3,019,000 and $4,239,000, respectively, for the same periods in 1991.

Mortgage loans make up approximately 5.6% of the Company's investment portfolio. This percentage is approximately one-third of the percentage typically found in a domestic life insurance company. The Company has added only a small number of new issues to its mortgage loan portfolio in the past several years and, primarily as a result of regular principal payments, mortgages outstanding declined to $218,455,000 from $221,804,000 during the six months ended June 30, 1992. The Company has resumed active mortgage lending to broaden its investment alternatives, and does not expect this asset category to decline significantly in the future. The Company's mortgage loan portfolio includes 245 loans with an average size of $892,000 and average seasoning of 15 years. The Company's mortgage loans are typically secured by occupied buildings in major metropolitan locations and not speculative developments, and are diversified by type of property and geographic location. At June 30, 1992, the yield on the Company's mortgage loan portfolio was 9.7%.

Distribution of these loans by type of collateral and geographic location is as follows:

	# of Loans	Carrying Value	% of Mortgage Portfolio
Collateral Breakdown		(Dollars in thousands)	
Farm	5	$ 240	0.1%
Multi-family residential	13	28,385	13.0%
Industrial	150	89,546	41.0%
Office buildings	34	50,121	22.9%
Retail	41	39,165	18.0%
Other	2	10,998	5.0%
TOTAL	245	$218,455	100.0%

Geographic Breakdown	# of Loans	Carrying Value	% of Mortgage Portfolio
		(Dollars in thousands)	
New England	3	$ 1,250	0.6%
Middle Atlantic	20	10,341	4.7%
South Atlantic	27	25,571	11.7%
East North Central	77	66,278	30.3%
West North Central	12	14,907	6.8%
East South Central	11	9,531	4.4%
West South Central	18	25,935	11.9%
Mountain	5	5,016	2.3%
Pacific	72	59,626	27.3%
TOTAL	245	$218,455	100.0%

By limiting its exposure to the New England and Mountain regions, the Company has avoided some of the well-publicized problems experienced by other lenders. At June 30, 1992, 3.2% of the commercial mortgage portfolio, or $7,004,000, was delinquent by 90 days or more. In addition, the Company holds $9,933,000 in foreclosed real estate. The Company does not expect to incur material losses from these investments since it has been able to recover over 81% of the principal amount of problem mortgages that have been resolved in the last three years.

In total, the Company has experienced a relatively small number of problems with its total investment portfolio, with only 0.7% of the Company's investments in default at June 30, 1992. The Company estimates its total investment portfolio, excluding policy loans, had a market value equal to 104.3% of carrying value for accounting purposes at June 30, 1992.

Accrued investment income increased $3,805,000 from December 31, 1991 to June 30, 1992 as a result of the increase in new fixed income investments and in the overall size of the portfolio. Notes and other receivables increased $37,861,000 due to an increase in amounts receivable for securities sold for which the Company has not yet received the proceeds. Deferred policy acquisition costs increased $40,341,000 over year-end 1991 levels as the deferral of current period costs (primarily commissions) incurred to generate insurance and annuity sales and premiums continued to exceed the amortization of costs deferred in previous periods. At June 30, 1992, the Company had total assets of $4,594,243,000, an increase of 8.6% over total assets at December 31, 1991.

In conjunction with the volume of insurance and annuity sales and premiums, and the resulting increase in business in force, the Company's liability for policy liabilities and accruals increased $435,578,000 or 12.4% during the first six months of 1992. Total consolidated debt decreased $5,794,000 during this period and amounted to $89,542,000 at June 30, 1992. Other liabilities increased $53,843,000 from year-end 1991 levels primarily as the result of an increase in the liability for investments purchased but not yet paid for. At June 30, 1992, the Company had total liabilities of $4,243,564,000 compared to $3,908,581,000

at December 31, 1991, an 8.6% increase.

Total life insurance in force (at face amounts), at June 30, 1992 amounted to $8,657,251,000 compared to $8,391,732,000 at December 31, 1991, a 3.2% increase. Universal life insurance in force totalled $4,057,677,000 compared to $3,955,898,000 at year end 1991, a 2.6% increase. At June 30, 1992, universal life and interest sensitive insurance represented 55.7% of total insurance in force; traditional non-participating insurance, including term, represented 30.5%; and participating insurance represented 13.8%.

At June 30, 1992, stockholders' equity was $350,679,000, or $24.47 per share, compared to $322,780,000 or $22.71 per common share at year end 1991. The ratio of consolidated debt to total capital was 20.3% at June 30, 1992, down from 22.8% at year-end 1991 as stockholders' equity increased and operating cash flows were used to reduce commercial paper notes outstanding. At June 30, 1992, there were 14,332,019 common shares outstanding compared to a pro-forma restated 14,214,088 shares at December 31, 1991.

The effects of inflation and changing prices on the Company are not material since insurance assets and liabilities are primarily monetary. An effect of inflation, which has been low in recent years, is a decline in purchasing power when monetary assets exceed monetary liabilities.

LIQUIDITY AND CAPITAL RESOURCES

The liquidity requirements of the Company are met by cash flow from insurance and annuity premiums, investment income, and maturities of fixed maturity investments and mortgage loans. The Company primarily uses funds for the payment of insurance and annuity benefits, operating expenses and commissions, and the purchase of new investments. No material capital expenditures are planned.

The Company also issues short-term debt, including commercial paper notes, for working capital needs and to provide short term liquidity. At June 30, 1992 the Company had $28,774,000 in commercial paper notes outstanding, a decrease of $6,026,000 from December 31, 1991 as operating cash flows were used to reduce this debt. To enhance short term liquidity and back up its outstanding commercial paper notes, the Company has a $104,000,000 credit agreement with six banks which terminates August 23, 1993. To reduce the risk of rising short-term interest rates, the Company has entered into interest rate swap agreements with four banks wherein the Company pays a fixed rate of interest and receives a floating short-term rate of interest tied to prime commercial paper or LIBOR rates. The total notional amount of these swap agreements is $50,000,000 and the average fixed interest rate is 9.07%. The expiration dates of these agreements range from August 1993 to December 1995.

Since Equitable of Iowa Companies is a holding company, funds required to meet its debt service requirements, dividend payments and other expenses are primarily provided by its subsidiaries. The ability of the Company's insurance subsidiaries to pay extraordinary dividends and other distributions to the Company is restricted by state law. Equitable Life could pay additional dividends to the Company of approximately $45,752,000 during the remainder of 1992 which would not be considered extraordinary dividends. The National

Association of Insurance Commissioners has imposed new limits on shareholder dividends which are to be effective October 31, 1993. If these limits had been in effect at June 30, 1992, additional dividends Equitable Life could pay to the Company during the remainder of 1992 which would not be considered extraordinary and subject to disapproval would have been limited to $17,421,000. These limits are controversial and the matter is under study by regulators. Also, the amount by which stockholder's equity stated in conformity with generally accepted accounting principles exceeds the statutory capital and surplus of Equitable Life is restricted and cannot be distributed. The terms of certain credit arrangements currently require the Company to maintain certain net worth levels. At June 30, 1992, $62,245,000 of retained earnings were free of restrictions and could be distributed to the Company's public stockholders.

Developing and writing increased volumes of insurance and annuity business requires increased amounts of capital and surplus for the Company's insurance operations including amounts in excess of those which may be realized from operating results. The Company may also expand its insurance operations through acquisition of blocks of business from other insurance companies, or through the acquisition of an insurance company. Potential sources of capital to fund this growth include: (i) issuance of additional common stock, (ii) issuance of additional debt, and (iii) proceeds from the sale of the Company's retail subsidiary. To improve the liquidity and attractiveness of its common stock to investors and to improve the Company's access to the equity marketplace, the Company has taken a number of steps. The Company has increased the number of authorized shares of its common stock from 16,250,000 to 35,000,000 shares, consolidated its two classes of common stock into one class having full voting rights, and declared a two-for-one stock split. On April 29, 1992, the Company sold its retail subsidiary, Younkers, through a public stock offering and received net proceeds from the sale of approximately $50,000,000 after taxes. In addition to these funds, the Company expects to be able to generate an additional $10,000,000 from cash flows from operations and/or through issuance of debt while maintaining its consolidated debt to total capital ratio at or below approximately 20%.

The Company's insurance subsidiaries are assessed contributions by life and health guaranty associations in almost all states to indemnify policyholders of failed companies. In some states, such assessments are offset by reductions in future premium taxes. The amount of these assessments in prior years has not been material. Recent failures of substantially larger companies could result in future assessments in material amounts. During the fourth quarter of 1991, the Company established a reserve of $21,049,000 which was partially offset by $5,678,000 of expected future premium tax credits. During the first six months of 1992, the Company has not received any additional information which would allow the estimation of future assessments for insurance company failures not yet reserved for, or to adjust its estimate of future assessments covered by the reserve already established.

RESULTS OF OPERATIONS

Life insurance sales (at face amounts) totaled $355,823,000 in the second quarter and $667,484,000 in the first six months of 1992, 28.1% and 26.5% increases over sales of $277,853,000 and $527,567,000 in the comparable periods of 1991. This growth in life insurance sales was primarily generated through sales of the Company's term life products. Sales of the Company's term life products increased to $177,999,000 in the second quarter

and $340,375,000 in the first half of 1992, 156.2% and 149.6% increases over sales of $69,465,000 and $136,364,000, respectively, a year ago. The Company's new term life products are more competitively priced than in prior periods and, as a result, sales have increased both in terms of aggregate sales and as a percentage of total life insurance sales. Sales of the Company's universal life products amounted to $132,772,000 in the second quarter and $245,984,000 in the first half of 1992, 11.1% and 12.7% declines from sales of $149,322,000 and $281,842,000 in the same periods last year. Universal life sales represented 37.3% and term life sales represented 50.0% of all life sales in the second quarter of 1992 compared to 53.7% and 25.0%, respectively, in the second quarter of 1991. Universal life sales represented 36.9% and term life sales represented 51.0% of all life sales in the first six months of 1992 compared to 53.4% and 25.8%, respectively, in the first six months of 1991. Annuity sales increased to $222,028,000 in the second quarter and $409,385,000 in the first half of 1992, 96.7% and 91.7% increases over sales of $112,904,000 and $213,549,000 in the comparable periods of 1991. Annuity sales were positively impacted by several factors. First, early 1992 sales were positively impacted by an increase in demand for tax deferred annuities caused by the President's Budget Proposal for Fiscal 1992 which included a provision which would have eliminated the deferral of taxation of the earnings of non-qualified annuities. The President's proposal is no longer being actively considered. Second, the quality of the Company's investment portfolio and its overall financial strength has created an increase in demand for the Company's annuity products by consumer's who are seeking a more secure return on their retirement savings. Third, low short-term interest rates have made annuity products more attractive than other savings options, such as bank certificates of deposit.

Premiums from traditional life insurance products declined $1,119,000 to $11,595,000 in the second quarter and $2,330,000 to $23,708,000 in the first six months of 1992, while universal life insurance and investment product charges increased $563,000 and $1,219,000 for the same periods, as the Company's marketing efforts continued to focus on the sale of deferred annuities and interest-sensitive life insurance. As a result of increased annuity sales, premiums attributable to universal life insurance and investment products, and thus not included in revenue, increased $137,445,000 to $263,978,000 in the second quarter and $240,068,000 to $480,705,000 in the first six months of 1992. Net investment income increased $11,896,000 to $88,041,000 in the second quarter and $21,614,000 to $172,412,000 in the first six months of 1992 due to the increase in invested assets. The Company's investment portfolio, excluding policy loans, had a yield to maturity of 9.3% at June 30, 1992, compared to 10.0% at June 30, 1991, reflecting a general decline in interest rates, and a reduction in the percentage of the portfolio invested in high yield bonds. The effect of this decline in portfolio yield on the Company's net income will depend on many factors, including the level of interest rates credited to policyholder account balances. During the second quarter and first six months of 1992, the Company had realized gains on the sale of investments of $4,573,000 and $5,336,000 compared to losses of $3,426,000 and $4,643,000 in 1991. In total, revenues increased $18,530,000, or 19.1%, to $115,327,000 in the second quarter and $28,530,000, or 14.7%, to $222,904,000 in the first six months of 1992.

Total insurance benefits and expenses increased $7,948,000, or 10.1%, to $86,568,000 in the second quarter and $14,690,000, or 9.3%, to $172,322,000 in the first six months of 1992. Interest credited to universal life and investment product account balances increased

$9,486,000 and $18,071,000, respectively, as a result of higher account balances associated with those products. Death benefits on traditional life products and benefit claims incurred in excess of account balances decreased $2,042,000 in the second quarter and $3,883,000 in the first half as a result of more favorable mortality experience. Most of the Company's new policies are treated as universal life or investment products for accounting purposes and changes in reserves for these products do not effect net income. The Company's lapse ratio for life insurance measured in terms of face amount and using A.M. Best's formula, was 8.1% in the first six months of 1992 compared to 9.0% last year. The lapse ratio for the Company's annuity products, as calculated by dividing average aggregate surrenders and withdrawals by average aggregate account balances, was 8.6%, on an annualized basis, for the six months ended June 30, 1992 compared to 4.6% in the first half of 1991. An increase in annuity surrenders is anticipated by the Company as this block of business matures. Most of the Company's annuity products have surrender charges which are designed to discourage early withdrawals and to allow the Company to recover a portion of the expenses incurred to generate annuity sales in the event of early withdrawal. Certain policies, totalling $243,300,000 in account values, had a "bailout" feature which allowed policyholders to withdraw their account balance without penalty should credited rates fall below predetermined levels. The decline in general interest rates and in the Company's portfolio yield caused the Company to reduce the rate of interest credited to its annuity account balances below these "bailout" levels in the second quarter. As a result, 22%, or $53,600,000, of annuity policies with a "bailout" feature surrendered during the second quarter of 1992 causing much of the increase in the overall lapse ratio for the Company's annuity products. Without the lapses on "bailout" products, the Company's annuity lapse rate would have been 4.3%. The increase in annuity lapses will not have a material impact on earnings, since interest rates credited to new sales are lower than on the "bailout" policies being surrendered. As a result of the Company's rate actions less than 1% of annuity reserves are now subject to a "bailout" provision.

Commissions increased $12,203,000 in the second quarter and $21,952,000 in the first half as sales of annuity products increased. This increase was offset by an increase in the deferral of such policy acquisition costs, and thus had very little impact on total insurance expenses. The amortization of deferred policy acquisition costs increased due to the increase in the deferred policy acquisition cost asset.

Operating income of continuing operations (income excluding net realized gains and losses) increased 17.5% in the second quarter of 1992, to $12,616,000, or $0.88 per share, from $10,738,000, or $0.76 per share, in the second quarter of 1991. First half 1992 operating earnings increased 14.8%, to $23,506,000, or $1.65 per share, from $20,484,000, or $1.45 in the first half of 1991. The Company recognized realized gains on the sale of investments (net of tax) of $4,570,000, or $0.32 per share, in the second quarter and $5,289,000, or $0.37 per share in the first six months of 1992 compared to realized losses of $3,313,000, or $0.23 per share, and $4,529,000, or $0.32 per share, in the same periods of 1991. As a result, income from continuing operations before the cumulative effect of the change in accounting principle for income taxes improved to $17,186,000, or $1.20 per share, in the second quarter and $28,795,000, or $2.02 per share in the first six months of 1992 compared to $7,425,000, or $0.53 per share in the second quarter and $15,955,000, or $1.13 per share in the first six months of 1991. The Company sold its interest in the Younkers department store chain on April 29, 1992 for approximately $50,000,000 after

taxes. As a result, retail operations are treated as a discontinued operation in the accompanying financial statements. The Company intends to use the proceeds of the sale to support the growth of its insurance business either through increased policy sales or acquisition of additional business. Currently, these funds are invested in short-term investments which have a lower yield than that which the Company earns on the capital supporting its insurance operations. Income from discontinued operations during the first six months of 1992 amounted to $1,924,000, or $0.14 per share, which was comprised of a $3,182,000 operating loss and a $5,106,000 after-tax gain on disposal. The Company reported a loss from discontinued operations during the first six months 1991 of $3,792,000, or $0.27 per share.

Net income was $22,584,000, or $1.58 per share, for the second quarter and $30,719,000, or $2.16 per share, for the first six months of 1992, compared to $7,610,000, or $0.54 per share, in the second quarter and $21,607,000, or $1.53 per share in the first six months of 1991. During the fourth quarter of 1991, the Company implemented a new accounting standard for accounting for income taxes. This accounting change was treated as a cumulative effect adjustment effective January 1, 1991 and, therefore, the financial statements for the first six months of 1991 have been restated to incorporate the effect of this accounting change. The effect of this accounting change was to increase first half 1991 income by $9,444,000 or $0.67 per share.

PART II. OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

In the ordinary course of business, the Company and its subsidiaries are engaged in routine litigation. Management believes it is unlikely that the outcome of any pending litigation will have a material adverse effect on the Company's financial condition.

As previously reported, the Internal Revenue Service has completed its field examination of the income tax returns of the Company and its subsidiaries for the years 1985, 1986, and 1987 and has issued a report proposing various adjustments aggregating approximately $17,500,000 of tax, interest and penalties. The Company has protested many of the proposed adjustments. Management believes that adequate accruals have been made and that resolution of the matter should have no material adverse effect on the Company.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

(a) and (c) April 30, 1992 Shareholder Meeting results were reported in the Quarterly Report on Form 10-Q for the quarter ended March 31, 1992.

Item 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits

10(i) 1992 Stock Incentive Plan

10(j) James E. Luhrs Consulting Agreement dated May 1, 1992

(b) A report on Form 8-K was filed April 30, 1992 reporting effectiveness of the Company's Plan of Reversion and Shareholder Rights Plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DATE: August 11, 1992

EQUITABLE OF IOWA COMPANIES

By/s/ P. E. Larson
Senior Vice President and CFO
(Principal Financial Officer)

By/s/ D. A. Terwilliger
Controller
(Principal Accounting Officer)